

Fourth International Conference on Small Island Developing States (SIDS4)

27 – 30 May 2024, St. John’s, Antigua and Barbuda

Summary

Interactive Dialogue 2: Enhancing critical forms of financing and aid effectiveness through collaborative partnerships: a conversation

Kia Orana and warm Pacific greetings,

Thank you for the opportunity to relay back the outcomes of the Interactive Dialogue 2.

Interactive Dialogue 2 on “Enhancing critical forms of financing and aid effectiveness through collaborative partnerships: a conversation” was co-chaired by H.E. Mr. Nuno Sampaio, Secretary of State for Foreign Affairs and Cooperation of Portugal, and the Hon. Mark Brown, Prime Minister of Cook Islands.

The Dialogue featured a fireside chat between H.E Mr. Orlando Habet, Minister of Sustainable Development, Climate Change & Disaster Risk Management for Belize and Ms. María del Pilar Garrido Gonzalo, Director for Development Co-operation Organization for Economic Co-operation and Development (OECD), moderated by Ms. Dima Al-Khatib, Director of the United Nations Office for South-South Cooperation followed by interventions from Mr. Jorge Moreira da Silva, Under-Secretary-General and Executive Director of United Nations Office for Project Services (UNOPS) and Mr. Ambroise Fayolle, Vice-President of European Investment Bank (EIB)

The fireside chat and subsequent contributions distilled eight key messages. The first was the need for the international community to scale up additional finance to support climate adaptation and structural transformation in SIDS.

Linked to this was the need for complementary reform of the international financial architecture to facilitate the repurposing of Special Drawing Rights (SDRs) for development, making debt workouts easier and increasing the representation of SIDS in the reform and decision-making processes.

The third message acknowledged the formidable risks posed by climate change for SIDS. The meeting called for the mainstreaming of adaptation and disaster risk mitigation initiatives across all sectors. In particular, by ensuring the inclusion of disaster clauses in debt contracts to provide crucial moratoria on debt repayments and to enhance liquidity space for SIDS following a disaster. Increased technology transfer and capacity building is also needed to facilitate SIDS’ adaptation to climate change.

The fourth message asserted that the time is ripe for the implementation of the multidimensional vulnerability index, which would not only provide resources to SIDS based on their real and objective needs, but would also ensure that countries are no longer penalized for their hard-won efforts to achieve higher-income status.

The fifth message centered around the need for climate and other development finance to be made more accessible and channeled to projects that lead to meaningful development progress in SIDS. This would require capacity building to help resource-constrained SIDS pursue the technical and institutional strengthening needed to meet the conditions and requirements to access resources of the Green Climate Fund, Adaptation and Loss and Damage Funds, among others.

Recognizing the critical role that the private sector should play in financing development, the sixth message called for robust engagement with private investors to encourage their greater investment in the sustainable development of SIDS. This would require a larger pool of bankable projects that can generate profits and remain viable over the long term. Governments can help to derisk investment for private investors through blended finance arrangements and well-designed Public-Private Partnerships.

The seventh message highlighted the need to increase investment in social welfare, infrastructure, improving access to health and human services, addressing chronic undernourishment among marginalized groups and the epidemic of non-communicable diseases in many SIDS.

Finally, the dialogue challenged SIDS to upgrade and modernize their data systems to better track and monitor finance allocation to ensure its optimal use. There was also a call for more robust and structured global partnership led by SIDS, and supported by strong monitoring and evaluation systems to ensure high development impact.

We thank all the distinguished participants and the audience who contributed to making this interactive dialogue a successful one,

Meitaki maata,